

EXTENSION OF THE SUPPLEMENT FOR HANDICAPPED CHILDREN REQUIRING EXCEPTIONAL CARE

In the 2019-2020 budget, the government announced that Retraite Québec, the Ministère de la Famille and the Ministère des Finances had undertaken a review of the financial assistance provided to parents of a handicapped child with exceptional care needs.

As a result of this review, recommendations were made to ensure that the assistance could be offered to a greater number of parents whose handicapped child requires special needs. In particular, it has been recommended that eligibility be extended to families whose handicapped children, although they require significant direct care but less than children for whom assistance is currently provided, remain somewhat dependent and need support to accomplish several life habits.

This information bulletin provides a comprehensive description of the changes that will be made to the supplement for handicapped children requiring exceptional care¹ (SHCREC), a component of the refundable tax credit granting an allowance to families since April 1, 2016.²

□ Description of the refundable tax credit granting an allowance to families

Since 2005, the refundable tax credit granting an allowance to families has played a major role in Québec's family policy by providing families with financial assistance to help them provide for their children under 18 years of age.

This tax credit, which is paid monthly or quarterly, as the case may be, is composed of the family allowance, a supplement for the purchase of school supplies,³ a supplement for handicapped children (SHC) and the SHCREC. The family allowance, which includes a universal base, is determined according to family income, so that additional assistance is granted to low- and middle-income families. As for the three supplements, they are granted to eligible families irrespective of family income.

The SHC, which is \$195⁴ per month, is granted in respect of a child who has an impairment or a mental function disability that substantially limits the child in performing the life habits of a child of his or her age during a foreseeable period of at least one year.

¹ *Taxation Act*, section 1029.8.61.19.1.

² The refundable tax credit for child assistance was renamed "refundable tax credit granting an allowance to families" on January 1, 2019 (for more information on this subject, see: MINISTÈRE DES FINANCES DU QUÉBEC, *Information Bulletin 2018-9*, December 3, 2018, p. 4).

³ Briefly, the supplement for the purchase of school supplies is paid once a year, for the month of July, in respect of a child who, on September 30 of the year, is at least 4 years of age and no more than 16 years of age or, if the child is handicapped, no more than 17 years of age.

⁴ This amount is applicable for 2019.

Given the exceptional circumstances experienced by children who require exceptional care and by their parents who assume responsibility for it, as well as the major impacts that the condition of children who are seriously ill or who have severe disabilities always have on their families, financial assistance has been granted to these families under the tax system since April 1, 2016, through the SHCREC.

□ Description of the SHCREC

The SHCREC is intended for children who have serious and multiple disabilities or whose state of health requires complex medical care at home. These children are not autonomous and require the constant, 24-hour presence of another person as well as significant support to accomplish the majority of their life habits. Without this constant presence, it would be impossible for these children to remain in their homes.

This supplement of \$978⁵ per month, which is in addition to the SHC, takes into account the fact that parents of a child who is seriously ill or who has severe disabilities must assume extraordinary responsibilities with respect to providing care, exercising the vigilance necessary to ensure the child's safety and coordinating the services that must be provided to the child. Taking into account the amount already granted through the SHC, the direct assistance for the families concerned in respect of such a child amounts to \$14 076 for 2019.

The handicap situation of children in respect of whom the SHCREC is granted is based on a clinical definition established by a working group in which physicians, including pediatricians, and rehabilitation professionals, took part. The clinical definition takes into account the conceptual model set out in *Quebec Classification: Disability Creation Process*.⁶

In general, the SHCREC is granted, for a particular month, relative to a child in respect of whom an individual is, at the beginning of that month, an eligible individual,⁷ if the SHC is also paid for the given month in respect of the child and, according to the prescribed rules, if the child is in either of the following situations:

- *Situation A*

- the child, during a foreseeable period of at least one year, has an impairment or a mental function disability entailing serious and multiple disabilities that prevent the child from independently performing the life habits of a child of his or her age;

⁵ *Ibid.*

⁶ Patrick Fougeyrollas, René Cloutier, Hélène Bergeron, Jacques Côté and Ginette St-Michel, *Quebec Classification: Disability Creation Process*, Québec, International Network on the Disability Creation Process, 1998, 162 pages.

⁷ Briefly, a person is an eligible individual in respect of a child at the beginning of a particular month if, at that time, the person resides with the child at the beginning of the month, is the child's father or mother, is resident in Québec, has (or the individual's spouse has) a recognized status, such as Canadian citizenship or permanent resident status, and is not exempt from tax.

- *Situation B*

- the child's state of health requires, during a foreseeable period of at least one year, any of the following specified complex medical care at home:
 - complex respiratory care, namely, non-invasive mechanical ventilation with bilevel positive airway pressure (BiPAP), or care related to a tracheostomy with or without invasive mechanical ventilation,
 - complex nutritional care, namely, parenteral nutrition (intravenous hyperalimentation),
 - complex cardiac care, namely, the intravenous administration of inotropes,
 - complex renal care, namely, peritoneal dialysis.

For a child to be considered in situation B, he or she must not be able to self-administer the care required by his or her state of health – care which is therefore administered by the child's father or mother, trained beforehand in a specialized centre to master the specific techniques for using the required equipment and to be able to respond to any change in the child's clinical condition that may endanger the life of the child – and, if the child is at least 6 years of age at the beginning of the particular month,⁸ the child's state of health limits him or her in performing the life habits of a child of his or her age.

For the purposes of the SHCREC, only the life habits that a child should perform, for the child's age, to take care of himself or herself and participate in social life and that consist of nutrition, personal care, mobility, communication, interpersonal relationships, responsibilities and education are subject to examination.⁹

For a child to be considered in situation A, he or she must be, at the beginning of the particular month, at least 2 years of age in the case of an impairment,¹⁰ and at least 4 years of age in the case of a mental function disability.¹¹

Under the prescribed rules, a child who has an impairment or a mental function disability entailing serious and multiple disabilities is considered to have disabilities preventing him or her from independently performing the life habits of a child of his or her age only if the outcome of the interaction between the child's disabilities and the environmental factors as facilitators of, and barriers to, the performance of the child's life habits in the child's various living environments causes:

- if the child is less than 4 years of age, an absolute limitation in performing the three life habits that are nutrition, mobility and communication;

⁸ This second condition need not be met in the case of a child whose state of health requires care related to a tracheostomy with invasive mechanical ventilation.

⁹ *Regulation respecting the Taxation Act*, section 1029.8.61.19.1R5, subsection a and section 1029.8.61.19R1, second paragraph.

¹⁰ *Regulation respecting the Taxation Act*, section 1029.8.61.19R4.

¹¹ *Regulation respecting the Taxation Act*, section 1029.8.61.19R5.

- if the child is 4 years of age or older:
 - an absolute limitation in performing four life habits and a serious or absolute limitation in performing at least one other life habit, or,
 - an absolute limitation in performing three life habits, including mobility, and a serious or absolute limitation in performing at least two other life habits.

Under the prescribed rules, a child whose state of health requires specified complex medical care at home (situation B) is considered to be limited in performing the life habits of a child of his or her age only if the child has an absolute limitation in performing a life habit¹² or a serious limitation in performing two life habits.¹³

A limitation in performing a life habit is absolute if the child absolutely cannot independently perform the life habit according to his or her age, despite the existence of environmental factors that are facilitators. A limitation in performing a life habit is serious if the child always or almost always has a serious difficulty in independently performing that life habit according to his or her age, despite the existence of environmental factors that are facilitators.¹⁴

Lastly, an eligible individual who wishes to receive the SHCREC, in respect of a child, for a particular month, must file an application with Retraite Québec no later than 11 months after the end of that particular month. The time for filing the application may be extended for a period not exceeding 24 months, on written request, if the individual shows Retraite Québec that he or she was unable to act and that the application was filed as soon as possible under the circumstances.

❑ Extension of the SHCREC

In June 2018,¹⁵ the Ministère des Finances announced an easing of the criteria used to define the handicap situation of children at least 4 years of age and having severe disabilities (situation A) so that the financial assistance provided by the SHCREC could be offered to more families while preserving the exceptional nature of this supplement.

However, despite the easing of the criteria used to define the handicap situation of children at least 4 years of age, some families with children having significant disabilities remain ineligible for the SHCREC. Although these children require significant direct care, but less than those for whom the SHCREC is currently paid, they remain somewhat dependent and require assistance to accomplish several life habits.

To ensure the well-being of children who experience such a situation, parents must assume extraordinary responsibilities.

To better acknowledge the reality of these families, the SHCREC will be amended to provide additional financial assistance to some families who receive the SHC but who do not currently receive the SHCREC.

¹² Other than that relating to interpersonal relationships.

¹³ *Ibid.*

¹⁴ *Regulation respecting the Taxation Act*, section 1029.8.61.19.1R5, subsection *b*.

¹⁵ MINISTÈRE DES FINANCES DU QUÉBEC, *Information Bulletin 2018-4*, June 20, 2018.

■ Additional level for the SHCREC and determination of the level of assistance

Tax legislation and regulations will be amended to add a level of assistance called the “second level” to the SHCREC, which will apply retroactively as of April 1, 2019.

This second level of the SHCREC will provide additional direct assistance to the families concerned in the amount of \$652¹⁶ per month, or \$7 824 annually. Taking into account the amount already granted through the SHC, which amounts to \$195 per month, the total financial assistance granted for handicapped children requiring exceptional care under the second level of the SHCREC will reach \$10 164 annually.

The assessment of the situation of children for whom the second level of assistance under the SHCREC may apply will be based on the same clinical definition as that currently used for the SHCREC.

Consequential amendments will be made to tax legislation and regulations so that situation A and situation B of the SHCREC, which provide a monthly assistance of \$978 for a child in either of these two situations, will now be known as situation A and situation B of the first level of the SHCREC.

For the purpose of calculating the refundable tax credit granting an allowance to families for any given month after March 2019, an amount, under the second level of the SHCREC, equal to the product obtained by multiplying \$652 by the number of recognized eligible dependent children for whom an individual is, at the beginning of that month, an eligible individual, will be added to the assistance for which that individual will be eligible for that month, namely, the family allowance, the supplement for the purchase of school supplies, the SHC and the amount under the first level of the SHCREC.¹⁷

Like the amount of \$978 granted under the first level of the SHCREC, the amount of \$652 granted under the second level of the SHCREC will be automatically adjusted each year as of January 1, 2020, based on the same parameters as those applicable to the SHC.

In addition, a child who, at the beginning of a given month, is in situation A or situation B of both the first and second level of the SHCREC will be deemed not to be in situation A or situation B of the second level of the SHCREC. This way, the family will receive the highest amount provided by the SHCREC.

¹⁶ This amount will be automatically adjusted each year.

¹⁷ For greater clarity, the amount for the first level of the SHCREC and the amount for the second level of the SHCREC may not be cumulated for the same child.

- **Recognized eligible dependent child**

Subject to the general exclusions applicable to the SHCREC under the current tax legislation,¹⁸ a recognized eligible dependent child shall mean, for the purposes of the second level of the SHCREC, a child in respect of whom the SHC is paid and who, for a foreseeable period of at least one year, is either in situation A of the second level of the SHCREC or in situation B of the second level of the SHCREC.

- *Situation A of the second level of the SHCREC*

Situation A of the second level of the SHCREC refers to a child who, at the beginning of a given month, is at least 2 years of age and has an impairment or a mental function disability entailing serious and multiple disabilities that, according to the rules to be prescribed, prevent the child from independently performing the life habits of a child of his or her age.

In this regard, as with the first level of the SHCREC, only the life habits that a child should perform, for the child's age, to take care of himself or herself and participate in social life and that consist of nutrition, personal care, mobility, communication, interpersonal relationships, responsibilities and education will be subject to examination.

In addition, under the rules to be prescribed, a child who has an impairment or a mental function disability entailing serious and multiple disabilities will be considered to have disabilities preventing him or her from independently performing the life habits of a child of his or her age only if the outcome of the interaction between the child's disabilities and the environmental factors as facilitators of, and barriers to, the performance of the child's life habits in the child's various living environments causes:

- if the child is less than 4 years of age, an absolute limitation in performing any of the life habits that are nutrition, mobility and communication, and a serious or absolute limitation in performing at least one other life habit among those three life habits;
- if the child is 4 years of age or older:
 - an absolute limitation in performing two life habits and a serious or absolute limitation in performing at least one other life habit,
 - an absolute limitation in performing the life habit relative to mobility and a serious or absolute limitation in performing at least one other life habit.

¹⁸ For greater clarity, these exclusions are provided for in the fifth paragraph of section 1029.8.61.19.1 of the *Taxation Act* and in section 1029.8.61.19.2 of the *Taxation Act* and include, among other things, a child for whom treatments or measures likely to improve his or her condition are not applied or continued without a valid reason, or a child who is lodged or sheltered under the law or a child who benefits from personal home assistance under certain laws.

- *Situation B of the second level of the SHCREC*

Situation B of the second level of the SHCREC will correspond to that of a child whose state of health, at the beginning of a given month, requires specified complex medical care at home which is administered by the child's father or mother, trained beforehand in a specialized centre to master the specific techniques for using the required equipment and to be able to respond to any change in the child's clinical condition that may endanger the life of the child.

For a child to be in this situation, his or her father or mother, as the case may be, must have begun providing specified complex medical care at home.

Specified complex medical care at home, for the application of the second level of the SHCREC, will consist in one of the following:

- complex respiratory care, namely, oxygen therapy used on a daily basis, 24 hours a day or mechanical ventilation used on a daily basis, 24 hours a day or, if the child is 6 years of age or older at the beginning of a given month, care related to a tracheostomy without invasive mechanical ventilation;
- complex nutritional care, namely, care related to a gastrojejunal or jejunal feeding tube;
- daily skin care for severe and generalized dermatologic conditions at high risk of pressure wounds, webbing and contractures.

A child able to self-administer specified complex medical care at home will no longer be contemplated by situation B. However, the child may be contemplated by situation A if he or she meets the related criteria.

- **Request for assistance under the second level of the SHCREC**

For an amount to be granted under the second level of the SHCREC, an application, along with multidisciplinary reports prepared in respect of the child, must be submitted to Retraite Québec, in accordance with the current tax legislation applicable to the SHCREC.

In addition, each application filed for the SHCREC in respect of a child for which Retraite Québec has rendered, prior to the date of publication of this information bulletin, an unfavourable decision with respect to situation A or situation B of the SHCREC, shall be deemed to be made on the date of publication of this information bulletin, except where the child in respect of whom the unfavourable decision has been rendered:

- passed away before April 1, 2019;
- reached the age of 18 before April 1, 2019;
- is lodged or sheltered under the law as of April 1, 2019.

❑ Amendments to the first level of the SHCREC

Amendments will be made to the first level of the SHCREC to simplify its application and ensure the fairness and integrity of the tax measure.

Accordingly, the terms and conditions relating to situation A and the terms and conditions relating to situation B of the first level of the SHCREC will be amended as described below.

■ Situation A of the first level of the SHCREC (limitation in performing life habits)

As with the second level of the SHCREC, the minimum age for a mental function disability to be recognized, for the purposes of the application of the first level of the SHCREC, will be lowered from 4 to 2 years. Therefore, to be in situation A of the first level of the SHCREC, a child must, in addition to meeting the conditions otherwise provided for, be at least 2 years of age and have an impairment or a mental function disability at the beginning of a given month.

■ Situation B of the first level of the SHCREC (specified complex medical care at home)

Non-invasive mechanical ventilation with bilevel positive airway pressure (BiPAP) is one of the complex respiratory care included in the specified complex medical care at home provided for in situation B of the first level of the SHCREC. However, the term “BiPAP” is more commonly referred to, in its generic form, as “BPAP”. Therefore, the term “BiPAP” associated with non-invasive mechanical ventilation with bilevel positive airway pressure will be replaced by the term “BPAP”.

In addition, non-invasive mechanical ventilation with bilevel positive airway pressure (BPAP), will be required on a daily basis for complex respiratory care.

Moreover, under the current terms and conditions, the requirement to have one or more than one limitation in performing life habits applies to all children who, at the beginning of a given month, are 6 years of age or older and whose state of health requires, for a foreseeable period of at least one year, specified complex medical care at home, except a child whose state of health requires care related to a tracheostomy with invasive mechanical ventilation.

Amendments will be made so that only children who, at the beginning of a given month, are 6 years of age or older and whose state of health requires, for a foreseeable period of at least one year, care related to a tracheostomy without invasive mechanical ventilation or non-invasive mechanical ventilation with bilevel positive airway pressure (BPAP) used on a daily basis, will be covered by this requirement.

Finally, care related to a ventricular assist device (artificial heart pump) will be added to the list of specified complex medical care at home applicable to the first level of the SHCREC.

As a result of these amendments, the specified complex medical care at home applicable to situation B of the first level of the SHCREC will include the following:

- complex respiratory care, namely:
 - non-invasive mechanical ventilation with bilevel positive airway pressure (BPAP) used on a daily basis,¹⁹
 - care related to a tracheostomy without invasive mechanical ventilation,²⁰
 - care related to a tracheostomy with invasive mechanical ventilation;
- complex nutritional care, namely, parenteral nutrition (intravenous hyperalimentation);
- complex cardiac care, namely:
 - intravenous administration of inotropes,
 - care related to a ventricular assist device (artificial heart pump);
- complex renal care, namely, peritoneal dialysis.

A table summarizing the new eligibility criteria of the SHCREC is attached to this information bulletin.

❑ Changes in the child's state of health

Changes will be made for determining the impact of a change in a child's state of health on the assistance provided by the SHCREC.

Consequently, in the event that an eligible individual, with respect to a child, notices a change in the child's state of health, the eligible individual must submit a request for reassessment of the child's state of health to Retraite Québec.

In the event that the reassessment of the child's state of health, made at the individual's request, involves a change in the level of the SHCREC which increases the amount of the SHCREC to which the individual is entitled, the amount will be revised as of the month following the month in which the request for reassessment is received by Retraite Québec.

¹⁹ In addition, the state of health of a child who is 6 years of age or older, at the beginning of a particular month, and who requires such specified complex medical care at home, limits the child in performing the life habits of a child of his or her age. For greater clarity, under the prescribed rules, a child whose state of health requires specified complex medical care at home is considered to be limited in performing the life habits of a child of his or her age only if the child has an absolute limitation in performing a life habit (other than that relating to interpersonal relationships), or a serious limitation in performing two life habits (other than that relating to interpersonal relationships).

²⁰ *Ibid.*

If such a reassessment involves a change in the level of the SHCREC which reduces the amount of the SHCREC to which the individual is entitled or if it results in the individual no longer being entitled to receive the SHCREC, the amount will be revised or no longer paid, as the case may be, as of the month following the month in which the decision was rendered by Retraite Québec.

In addition, in accordance with current tax legislation, Retraite Québec may, at any time, request that the child's state of health be re-assessed. In the event that the reassessment of the child's state of health requested by Retraite Québec involves a change in the level of SHCREC which increases the amount of SHCREC to which the individual is entitled, the amount will be revised as of the month following the month in which Retraite Québec receives the information required to analyze the child's state of health.

If such a reassessment involves a change in the level of the SHCREC which reduces the amount of the SHCREC to which the individual is entitled or if it results in the individual no longer being entitled to receive the SHCREC, the amount will be revised or no longer paid, as the case may be, as of the month following the month in which the decision was rendered by Retraite Québec.

For greater clarity, the decision rendered by Retraite Québec following a reassessment of the child's state of health may be challenged under the current applicable rules.

☐ Clarification

The other terms and conditions of the SHCREC remain unchanged.

☐ Application dates

The amendment to replace the term "BiPAP" by the term "BPAP" will be applied on a declaratory basis.

The amendment regarding the use of non-invasive mechanical ventilation with bilevel positive airway pressure (BPAP) on a daily basis will apply to the payment of the SHCREC for any month after the month of publication of this information bulletin. However, where Retraite Québec has rendered a favourable decision before the day of publication of this information bulletin with respect to a request for the SHCREC submitted prior to that day, this amendment will apply to the payment of the SHCREC for any month after the month in which Retraite Québec has rendered a decision following a reassessment of the child's state of health.

The other amendments to the SHCREC set out in this information bulletin will apply to the payment of the SHCREC for any month after March 2019.

Under the existing rules, an individual has 11 months after the end of a given month to apply for the SHCREC, in respect of a child, for that given month. On an exceptional basis, the deadline of 11 months after the end of a given month to submit an application for the SHCREC to Retraite Québec for that given month, in respect of a child, will be 11 months after the day of publication of this information bulletin, when that given month is April or May 2019.

However, no amount will be paid for the SHCREC under either of the other amendments for a month prior to April 2019.

By the end of June 2019, Retraite Québec will contact the family of each child in respect of whom an unfavourable decision was rendered further to an application for the SHCREC regarding situation A or situation B of the SHCREC, except in situations where the child:

- passed away before April 1, 2019;
- reached the age of 18 before April 1, 2019;
- is lodged or sheltered under the law as of April 1, 2019.

Furthermore, if necessary, Retraite Québec will ask families concerned for any additional information that is needed to complete an evaluation of the child's state of health.

For information on this supplement, interested persons may contact Retraite Québec at 514 864-3873 if they are in the Montréal region, at 418 643-3381 if they are in the Québec region, and at 1 800 667-9625 (toll-free) if they are elsewhere in Québec. They may also visit Retraite Québec's website, at www.retraitequebec.gouv.qc.ca.

The English and French versions of this bulletin are available on the Ministère des Finances website at www.finances.gouv.qc.ca.

APPENDIX

SHCREC CRITERIA

Situation A: Impairment or mental function disability

SHCREC (LEVEL 1)	SHCREC (LEVEL 2)
Child 2 years of age or older, but less than 4 years of age	
<p>Impairment or mental function disability</p> <p>The child is eligible if he or she has an absolute limitation in performing all of the following life habits:</p> <ul style="list-style-type: none"> • Nutrition • Mobility • Communication 	<p>Impairment or mental function disability</p> <p>The child is eligible if he or she has an absolute limitation in performing one of the following life habits:</p> <ul style="list-style-type: none"> • Nutrition • Mobility • Communication <p>And at least one serious or absolute limitation in performing one other of these life habits</p>
Child 4 years of age or older, but less than 18 years of age	
<p>Impairment or mental function disability</p> <p>The child is eligible if he or she is in one of the following situations:</p> <ul style="list-style-type: none"> • He or she has an absolute limitation in performing four life habits⁽¹⁾ and a serious or absolute limitation in performing at least one other life habit • He or she has an absolute limitation in performing three life habits, including mobility, and a serious or absolute limitation in performing at least two other life habits 	<p>Impairment or mental function disability</p> <p>The child is eligible if he or she is in one of the following situations:</p> <ul style="list-style-type: none"> • He or she has an absolute limitation in performing two life habits and a serious or absolute limitation in performing at least one other life habit • He or she has an absolute limitation in performing the life habit relating to mobility and a serious or absolute limitation in performing at least one other life habit

(1) Life habits subject to examination: nutrition, personal care, mobility, communication, interpersonal relationships, responsibilities and education.

Situation B: Specified complex medical care at home

SHCREC (LEVEL 1)	SHCREC (LEVEL 2)
Respiratory care	
Tracheostomy with invasive mechanical ventilation	
Tracheostomy without invasive mechanical ventilation ⁽¹⁾	Tracheostomy without invasive mechanical ventilation when the child is 6 years of age or older
Non-invasive mechanical ventilation with bilevel positive airway pressure (BPAP) used on a daily basis ⁽¹⁾	Oxygen therapy used on a daily basis or mechanical ventilation used on a daily basis, 24 hours a day
Nutritional care	
Parenteral nutrition (intravenous hyperalimentation)	Gastrojejunal or jejunal feeding tube
Cardiac care	
Intravenous administration of inotropes	
Ventricular assist device (artificial heart pump)	
Renal care	
Peritoneal dialysis	
Other	
	Daily skin care for severe and generalized dermatologic conditions at high risk of pressure wounds, webbing and contractures

(1) In addition, the child who is 6 years of age or older and whose state of health requires such specified complex medical care at home has an absolute limitation in performing a life habit (other than interpersonal relationships) or a serious limitation in performing two life habits (other than interpersonal relationships).